

RESOLUTION NO. 86-81

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI
ADOPTING CITY OF LODI RISK AND INSURANCE
MANAGEMENT PROCEDURES

RESOLVED, that the City Council of the City of Lodi does hereby adopt City of Lodi Risk and Insurance Management Procedures, a copy of which is attached hereto marked Exhibit "A", attached hereto and thereby made a part hereof.

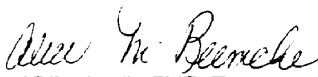
Dated: May 21, 1986

I hereby certify that Resolution No. 86-81 was passed and adopted by the City Council of the City of Lodi in a Regular Meeting held May 21, 1986 by the following vote:

Ayes: Council Members - Olson, Pinkerton, Snider, and Reid
(Mayor)

Noes: Council Members - None

Absent: Council Members - Hinchman


ALICE M. REIMCHE
City Clerk

CITY OF LODI

SUBJECT: RISK & INSURANCE MANAGEMENT PROCEDURES

PROCEDURES

Through the establishment of annual program goals and objectives, the risk management program activities will obtain the approval of the City Manager and be implemented.

A. DUTIES OF CITY RISK MANAGEMENT COMMITTEE

The Committee will perform the following duties:

1. Develop and implement loss control programs which serve overall needs and address specific requirements of individual facilities.
2. Conduct a continuous review of operations affecting insurance and risk management including:
 - a. Analysis of exposures to update insured values and nature of risk;
 - b. Analysis of loss experience, reserves, and rate structure to adjust cost or to determine need for new or revised forms of coverage; and
 - c. Analysis of loss experience to identify targets for loss-prevention efforts designed to reduce the frequency and severity of loss.
3. Determine the type and levels of insurance required and purchase the necessary insurance at an appropriate cost reflecting:
 - a. The operating conditions of the facilities and loss-prevention activities of the city generally;
 - b. The quality and cost of services, overhead, and compensation of the brokers and insurance companies;
 - c. The cost effectiveness of insurance vs. self-financing alternatives;
 - d. Cash flow considerations and accounting practices.
4. Conduct a continuous study of claims trending and activities, litigation, legislation, insurance contract modification and changes in the insurance market to accommodate improvements in risk management policies and programs.

5. Maintain contact with the insurance industry through brokers, direct writers, and insurance carriers to obtain current data on market trends or developments which might affect the program.
6. Provide a consulting and support capability for management on all issues relating to risk and insurance management including:
 - a. Assistance in the development of language for contract and leases regarding hold harmless, identification, and insurance requirements;
 - b. Submittal of recommendations to management for reduction or elimination of exposures, including arranging for insurance company inspection reports and surveys;
 - c. Assistance in the development of claims procedures and assistance in reporting and disposition of all significant losses.
7. Design, implement, and evaluate loss prevention and security measures.
8. Chair the vehicle accident review committee, monitor City safety committees, and may call special committees.
9. Identify and allocate risk and insurance management costs to the appropriate budget units.
10. Review claims experience data and project estimated claims costs for budgeting.
11. Provide designated management personnel with an annual report summarizing the status of the risk and insurance management program, emphasizing recent or contemplated changes in the program and salient cost considerations.

B. BUDGET

1. Insurance Premiums

- a. Insurance premiums for property, general liability, casualty, fidelity are itemized expenses.
- b. The broker of record will advise, if possible, 45 days in advance, an estimate of the premium costs.

2. Claims Costs

- a. Claims administrators will provide 30 days prior to contract renewal date any changes in the service fee and assist the City in forecasting future claims costs, when possible.
- b. There will be periodic transfers from the general fund to the public liability fund and workers' compensation budget based on claim settlements and experience.

- c. Damage to City property which is not covered by insurance or falls within a deductible amount shall be financed through a non-recurring budget item for repairs and replacement for each department.
- d. Recoveries from insurance companies, subrogation activities, SB 90 portion related to workers' compensation, interest from self-insurance funds and other related activities will be credited to the appropriate fund.
- e. Obtain claims cost and information from each department by loss.

CITY OF LODI

SUBJECT: RISK & INSURANCE MANAGEMENT PROGRAM

PURPOSE

To set forth a risk management program statement establishing centralized, uniform procedures which maximize loss control services for workers' compensation, safety and training, general liability, marine, vehicle, hazardous materials, disaster planning and control, medical malpractice, employee benefits funding, and other accidental exposures.

POLICY

It is the policy of the City of Lodi to reduce the cost of risk (defined as a sum of insurance premiums, self-insured losses, loss control costs, and administrative expenses) to a prudent minimum through the application of the risk management process.

The principal objectives regarding all risk of accidental losses are to:

- manage risk
- reduce potential loss
- provide funding in case of loss
- integrate management of risks into the overall City management process

Broadly stated, this program is designed to assure:

1. The protection of the City against the financial consequences of accidental losses which are catastrophic in nature.
2. The preservation of all City assets and service capabilities from loss, destruction, or depletion.
3. The reduction of the ultimate costs of claims through the identification, prevention, control, and financing of all risks of accidental losses and their consequences.
4. The creation and maintenance of a system of internal procedures providing a constant re-assessment of exposures to loss, loss-bearing capacity, loss-prevention programs, and available financing methods, including insurance.
5. The establishment, to the extent possible, of a work and service environment in which employees, as well as the public, can enjoy safety and security during the course of their association with the City of Lodi.

BUDGET

The City Manager is responsible for allocating Risk Management costs which identify payment of property, casualty, fidelity, and any other insurance premiums, self-insured claims, related equipment purchases, services fees for claims and safety services, audits, and related expenses.

The successful implementation and maintenance of a risk and insurance management program, based on the above-stated policy objectives, requires continuous cooperation and interaction among management personnel.

RESPONSIBILITIES

The City Council, City Manager and administrative staff are ultimately responsible to the taxpayers for insuring that adequate protection from accidental loss is provided for all City assets.

The City Manager is responsible for developing and implementing loss control programs, periodically reviewing and evaluating the effectiveness of existing programs and recommending revisions to meet changing City needs; and for fostering adherence to all adopted accident and loss control programs.

All managers/supervisors are responsible for advising the City Manager whenever matters within their scope may expose the City to loss or will affect existing risk and insurance management policies and procedures.